



THE FUTURE OF EDUCATIONAL ENTREPRENEURSHIP: POSSIBILITIES FOR SCHOOL REFORM

Edited by Frederick M. Hess

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The most intriguing reforms in K–12 education today are entrepreneurial ventures such as the New Teacher Project, New Leaders for New Schools, the KIPP Academies, and New Schools for New Orleans, which provide an alternative to traditional education models by creating innovative frameworks for schooling. In a timely new volume, *The Future of Educational Entrepreneurship: Possibilities for School Reform* (Harvard Education Press, 2008), Frederick M. Hess and a select team of analysts and reformers examine how to create conditions favorable to K–12 education reform.

Hess, AEI’s director of education policy studies and one of the nation’s leading authorities on K–12 education, explains in *The Future of Educational Entrepreneurship* that demand for quality education does not necessarily produce quality supply and that familiar efforts have failed to foster the necessary climate for breakthrough advances in K–12 schooling. The authors analyze the various obstacles to innovative and productive entrepreneurial activity in American education. In particular, they consider “barriers to entry” that prohibit or obstruct entrepreneurial endeavors, the scarcity of venture capital for fueling entrepreneurial activities, the inadequate efforts to encourage a population of entrepreneurial educators and reformers, the necessity for additional research and development, and the need for quality control in the burgeoning entrepreneurial sector.

Among their key findings and insights:

- Dramatic improvement in K–12 schooling will require the emergence of new problem-solvers, and the number, scope, and success of these will depend on the environment in which entrepreneurs are able to operate.
- Making K–12 education a magnet for talent will demand rethinking assumptions about hiring and recruiting. While Teach For America, the Broad Residency in Urban Education, and the Academy for Urban School Leadership, for example, have made great progress in attracting teachers and administrators from nontraditional career paths, more emphasis must be placed on developing professional networks that help entrepreneurs meet and recruit talented employees, connect with mentors, and discover business opportunities.

- K–12 education lags behind other sectors in efforts to attract private investment. On average, investors funnel just \$64 million annually into pre-K through twelfth grade–related businesses, compared to the \$7.2 billion that venture capitalists put into health care ventures. Reversing this trend will require tapping into new sources of funding for for-profit and nonprofit education projects.
- A variety of formal and less visible barriers stifle entrepreneurial ventures in K–12 education. These obstacles—which include insufficient start-up capital, a lack of a business-oriented mindset among educators, and a scarcity of funding devoted to innovation—must be addressed if the educational landscape is to become more conducive to the creation and survival of promising start-ups.
- K–12 education must develop sensible quality-control measures for monitoring and policing new schools and service providers. There has been inadequate attention paid to the applicability of using test scores for judging the performance of varied new providers, to what other metrics might be more appropriate, and to how much monitoring should be a responsibility of the state or independent providers.
- The kind of extensive research and development infrastructure that characterizes industries like health care or clean energy has been glaringly absent from K–12 education. While education is a \$500 billion per year enterprise, the sector spends well under a billion dollars per year on R&D—less than a quarter of 1 percent of the total budget. Collaboration between researchers and practitioners—through which advances in teaching and learning can be systematically tested, refined, and evaluated—is essential to fostering a more robust entrepreneurial environment.

This lively volume spans the breadth of the new educational sector—providers inside and outside school districts, nonprofits and for-profits, and everything from technology firms to charter schools—exploring what it will take to help these ventures radically improve K–12 teaching and learning.

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The Future of Educational Entrepreneurship: Possibilities for School Reform includes:

An introduction and conclusion by the editor, AEI's Frederick M. Hess.

Chapter 1: "Talent Development: Looking Outside the Education Sector," by Christopher Gergen and Gregg Vanourek of New Mountain Ventures.

Chapter 2: "Attracting Entrepreneurs to K–12," by Bryan C. Hassel of Public Impact.

Chapter 3: "Catalyzing Capital Investment: Lessons from Outside Education," by Joseph Keeney of 4th Sector Solutions and Daniel Pianko of Knowledge Investment Partners.

Chapter 4: "Social Purpose Capital Markets in K–12," by Kim Smith and Julie Petersen of NewSchools Venture Fund.

Chapter 5: "Barriers to Entry: Tales from a Tool Builder," by Larry Berger and David Stevenson of Wireless Generation.

Chapter 6: "Supply-Side Reform on the Ground," by Matt Candler of New Schools for New Orleans.

Chapter 7: "Quality Control in a Dynamic Sector," by Chester E. Finn Jr. of the Thomas B. Fordham Institute.

Chapter 8: "Reinventing a Research and Development Capacity," by Anthony S. Bryk of the Carnegie Foundation for the Advancement of Teaching and Louis M. Gomez of Northwestern University.

Chapter 9: "Breaking Regulatory Barriers to Reform," by Ed Kirby of the Walton Family Foundation.